Reengineering Royalty Management Program Business Processes and Support Systems

Road Map to the 21st Century

November 1998

U.S. Department of the Interior
Minerals Management Service
Royalty Management Program

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RMP
Reengineering
Road Map

Foreword

The Royalty Management Program (RMP) of the Minerals Management Service (MMS) is reengineering its business processes. The principal objective of the Reengineering Initiative is to design, develop, and implement new and improved business processes and automated support systems for the 21st century. A new concept of RMP operations, outlined in a March 1998 preliminary design document, has been affirmed as the best solution to achieve these reengineering objectives. This concept envisions a future RMP organized around two end-to-end core business processes—financial management and compliance and asset management—that are highly integrated, focused on outcomes, and less costly to operate than today's layered organization and function-based operation.

It is now time for RMP to move its Reengineering Initiative from concept to reality. This *Road Map to the 21st Century* has been prepared to place the reengineering concepts and recommendations on the implementation path and guide RMP through the necessary organizational transformation. The *Road Map* sets forth more than 50 major action elements that must be successfully planned, staffed, and executed over a 3-year period to achieve the desired RMP performance improvement goals, which include:

- Reducing the royalty management business cycle from 6 years to 3 or fewer.
- Providing revenue recipients with access to their money within 24 hours of the due date.
- Establishing organizational accountability at the producing property level.
- Simplifying and streamlining industry reporting requirements.
- Modernizing RMP's aging automated support systems.

The Road Map to the 21st Century is premised on extensive employee, customer, and stakeholder involvement, partnerships with clientele, and proactive outreach and communications with all who are engaged in the implementation process. The Road Map's action elements will also bring forth state-of-the-art information technologies and solutions designed to more fully utilize the talents of our work force, broaden individual job responsibilities, and position the future RMP as the best in class of service.

While the pay-off indeed is high, there is much work that remains to be done. When called upon, RMP employees have always supported major program improvement initiatives demonstrating their quality skills, professionalism, and can-do attitudes. Over the course of the next 3 years, this work force will again be challenged to successfully implement the Road Map's dramatic organizational and process change to attain this higher level of program excellence.

Our reengineering teams and their private sector consultants have well documented that implementation of the recommended reengineering improvements is a sound business decision, is clearly cost justified, and can be accomplished within the 3-year schedule. These reengineering improvements will dramatically improve RMP's overall performance and ensure that all future mission requirements are fulfilled at the lowest possible cost. Accordingly, the reengineering of RMP's business processes and support systems has been designated MMS's highest priority for the year 2000. This Road Map to the 21st Century is our reengineering implementation vehicle.

We solicit and encourage our employees, customers, and other stakeholders to work with us to ensure the successful implementation of a new and improved RMP for the future.

Director, Minerals Management Service

Associate Director for Royalty Management

RMP
Reengineering
Road Map

Table of Contents

		Page
	Executive Summary	1
Section 1	**Reengineering Business Processes and Support Systems**	1–1
	1.1 Background	1–1
	1.2 Design Parameters and Stretch Goals	1–2
	1.3 The Reengineering Approach	1–3
	1.4 The Preliminary Design Concepts	1–4
	1.4.1 Financial Management	1–4
	1.4.2 Process Piloting and Technology Prototyping	1–4
	1.5 Design Concepts for Implementation	1–5
	1.5.1 Organization and Business Processes	1–5
	1.5.2 Automation Infrastructure	1–6
	1.5.3 Information Requirements	1–7
	1.6 Stretch Goals and Benefit Opportunities	1–7
	1.6.1 Stretch Goals	1–7
	1.6.2 Benefit Opportunities	1–7
	1.7 Preparing for Implementation	1–9
Section 2	**Road Map to the 21st Century**	2–1
	2.1 Transforming Future Business Processes into Reality	2–3
	2.2 Acquiring Technology Solutions	2–8
	2.3 Changing Regulations and Information Reporting Requirements	2–11
	2.4 Modifying Organization Structures, Transition, and Training	2–13
	2.5 Outreach and Communications	2–17
	2.6 Summary of Action Elements	2–19
Appendix A	**Reengineering Documents and Related Studies**	A–1
Appendix B	**Glossary**	B–1

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Executive Summary

Background

The Royalty Management Program (RMP) of the Minerals Management Service (MMS) is responsible for ensuring that all revenues from Federal and Indian mineral leases are efficiently, effectively, and accurately collected, accounted for, and disbursed to recipients. These revenues—more than $5 billion annually—are distributed and disbursed to 38 States, 41 Indian Tribes, 20,000 Indian mineral royalty owners, and to U.S. Treasury accounts.

In April 1996, the RMP began a reengineering initiative to improve the business processes in its compliance operations. During the early stages of the initiative, RMP began to consider expanding the scope of the initiative to maximize benefits and to address the issue of systems that had aged well beyond their expected life cycle.

Then, on August 13, 1996, the Federal Oil and Gas Royalty Simplification and Fairness Act (RSFA) was enacted into law, amending the Federal Oil and Gas Royalty Management Act of 1982, the Outer Continental Shelf Lands Act, and the Mineral Leasing Act. RSFA introduced a host of new requirements that significantly changed many of the RMP's historical operating assumptions and revenue processing methods. RMP managers realized that, although processes and systems needed to be changed in the near term in order to comply with the law, longer term strategies dealing with fundamental business processes and aging computer systems had to be developed in order for the RMP to remain cost-effective and responsive to customer needs.

In April 1997, the RMP expanded the compliance reengineering initiative to address all core business processes. Their principal objective was to design, develop, and implement new core business processes and supporting systems for the 21st century. Unlike initiatives to address and incrementally improve existing operations, a reengineering initiative is more comprehensive in its approach and application. It challenges the underlying assumptions on which an organization is built and fundamentally redesigns processes, structures, and systems to achieve desired outcomes.

In March 1998, the RMP Reengineering Team issued the *Preliminary Design Concepts for the RMP of the 21st Century*. The document presents the findings and preliminary design concepts for future RMP processes and support systems. The concepts are based on extensive technical and analytical studies performed or commissioned as part of the reengineering initiative, past studies and recommendations prepared within the MMS, and studies and recommendations

presented to the MMS by the Royalty Policy Committee, the Office of the Inspector General, and others. The recommendations served as the foundation for further work in technology prototyping and process piloting, and for developing alternative strategies for process implementation and the acquisition of needed automated support systems.

Road Map to the 21st Century

The RMP is now prepared to make fundamental changes in its business processes and support systems so that, in the 21st century, it can deliver the best royalty management services possible at the lowest possible cost. This *Road Map* document presents the RMP's strategy for implementing future reengineered business processes and acquiring automated support systems. It identifies and charts the key action elements of the RMP implementation path over the next 3 years and lays out the specific time lines to which accountability will be assigned.

The *Road Map* also summarizes the results of further ongoing analysis, piloting, and prototyping (detailed results are included in separate reports referenced in Appendix A); describes the way in which the results of further work will be incorporated into the development of products needed to support acquisition initiatives; and defines the ongoing work that will be needed in order to support the Reengineering Initiative.

Design Concepts for the 21st Century

The *Preliminary Design Concepts Document* grouped future concepts into three areas: organization and business processes, automation infrastructure, and information needs. Further analysis, process piloting, and technology prototyping indicate that the design concepts are viable, with minor modifications, and that, when they are implemented, the RMP will meet its 21st century business goals and objectives. The following design concepts form the foundation upon which the RMP of the 21st century is being built.

Organization and Business Processes

Two end-to-end core business processes will meet the primary mission requirements of the future RMP: the financial management process and the compliance and asset management process.

Managing money and information through the financial management process. The financial management process will remain centralized. For information and money flow, it will focus on payors, operators, Federal and State agencies, Tribal governments, and allottees. The process will be supported by a true automated accounting system that features double-entry accounting, end-to-end accountability for funds, integrated reporting, and system-generated financial statements. Other financial management activities such as billing, payment application, and distribution and disbursement will be extensively automated and supported by work flow and case management systems.

Managing resources and ensuring accountability through the compliance and asset management process. The compliance and asset management process will ensure that all revenues, whether they are received through in-kind or in-value royalties, are accurately reported and paid and that the compliance status of all leases is known. Regional basin groups will focus on defined oil and gas producing areas and the properties located therein, and on properties and commodities for solid minerals. The groups will manage a full range of compliance and asset

management activities, including product valuation, market analysis, verification, and audit. They will structure analytical capability at the same level at which the industry operates: the property and producing area. They will leverage knowledge of the producing areas to ensure the timely and proper payment of royalties. For the first time, RMP will have the information and analytical capability to make timely asset management decisions, at the lease and producing area level, as to whether royalties should be taken in kind or in value.

Automation Infrastructure

The RMP will modernize its existing systems infrastructure to implement reengineered business processes. The current mainframe-based systems are obsolete and cannot support reengineered business processes. The systems were implemented in the early 1980s and have been subjected to thousands of changes to support an expanding mission. The systems environment is complex, inefficient, difficult to change, and expensive to maintain. The mix of aging systems and need for changes represents a major risk to future system reliability and operational stability. The RMP managers concluded that making further changes to the existing systems is not an acceptable strategy and that a new, automated infrastructure must be pursued.

The future infrastructure will be based on a relational database management system that provides on-line management of the royalty, production, and other data captured by RMP. Data management and analytical capabilities will be advanced through the use of work flow and case management systems, on-line analytical processing tools, advanced imaging and scanning, geographic information systems, and data warehouse applications. Furthermore, RMP will use Internet and intranet technologies and an expanded application of electronic data interchange and electronic commerce to facilitate exchanging information with its customers.

RMP will seek a commercial off-the-shelf accounting system to manage collections receipt, processing, distribution and disbursement; maintenance of receivables and payables balances; support of electronic data interchange and electronic commerce; and production of RMP's many required accounting and financial reports. The system will comply with Treasury financial system requirements.

Information Needs

Major improvements will be made in existing information collection requirements. These changes include replacing, streamlining, and eliminating forms. The improved regulatory reporting requirements will provide basic information to support future processes, but RMP must acquire additional information from a variety of sources to support the compliance and asset management process.

Road Map for Implementation

The implementation of RMP's future business processes and support systems will take 3 years, ending in September 2001, and will rely on the successful completion of many activities and tasks. Furthermore, the efforts of many people and organizations within and outside the RMP must be managed and coordinated. The *Road Map* identifies the principal planning and action elements, the time lines within which the elements must be completed, and accountability. For each element, detailed planning and implementation documents will be developed for approval, integration in the overall Initiative, and tracking to completion.

Project Management

MMS's Associate Director for Royalty Management, in consultation with the Associate Director for Administration and Budget, provides senior leadership for the Reengineering Initiative. RMP's Quality Steering Committee of senior program managers provides overall guidance and direction and participates in leading and sponsoring key phases of the Initiative. Project management and coordination is provided by the Associate Director's Program Reengineering Office, in concert with the MMS Integrated Project Team. Technical support for project management will be provided by Performance Engineering Corporation (PEC).

Elements of the Road Map

The *Road Map* groups key action elements into five major areas that focus implementation steps along logical activity paths to specific objectives:

1. Transforming future business processes into reality
2. Acquiring technology solutions
3. Changing regulations and information reporting requirements
4. Modifying organization structures, transition, and training
5. Outreach and communications.

Each action element is dependent upon and affects one or more of the other elements. For planning and implementation purposes, it is vital that each element have clearly defined objectives, time lines, and assigned accountability.

Transforming Future Business Processes into Reality

RMP is seeking to implement reengineered business processes to achieve its performance expectations for the 21st century. The *Road Map* lays out business process concepts and the actions that will transform them from concept to the reality of implementation and technology acquisition. Critical action elements within this area of implementation focus include: (1) completing the functional requirements definition for the financial management and compliance and asset management processes, (2) establishing and advancing the Operational Model phase to support transition and systems development, (3) developing and implementing audit strategies to expedite coverage of historical periods and compliment transition to future reengineered processes, (4) fully implementing the new compliance and asset management process with a three-year business cycle, (5) modifying cooperative and delegated agreements to ensure they are integrated with or use RMP's new end-to-end business processes to the greatest extent possible, and (6) implementing the new financial management process supported by modern commercial off-the-shelf accounting systems.

The financial management process is defined in the March 1998 *Preliminary Design Concepts Document*, and its financial management process concepts are supplemented in the September 1998 "Financial Management Recommendations" report. The documents represent the basic foundation for the RMP's future financial management process and are providing input to the functional requirements that will be used to solicit information technology vendor solutions for the future. The *Road Map* lays out the actions necessary to support acquisition and transition.

The compliance and asset management process is also defined in the *Preliminary Design Concepts Document*, and findings and recommendations presented in the September 1998 "Piloting RMP's Future Compliance and Asset Management Process" report are providing input to the functional requirements—input that will

be used to solicit information technology vendor solutions for the future. The *Road Map* lays out the actions necessary to support acquisition and transition. A key feature of the implementation strategy for compliance and asset management is the Operational Model phase.

The Operational Model phase will begin the transition to the future RMP organization and processes and will provide valuable experience that can be applied to many aspects of the development and implementation. Dedicated multidisciplinary model teams will take operational responsibility for selected producing leases and apply the end-to-end compliance and asset management process. The first Operational Model team will address, in a live environment, a logical subset of producing oil and gas leases in the Gulf of Mexico. The team will take full operational compliance responsibility for the production revenues from the leases, transferring responsibility from five different divisions in the current RMP organization. The transfer will be effective for production occurring on and after January 1, 1999. Thereafter, additional teams will be established to address logical subsets of onshore oil and gas leases and solid mineral leases. Development of the onshore models will proceed only after reaching concurrence with and gaining participation from affected States and Tribes.

Partnerships will also be established with selected royalty payors and production reporters to further refine the financial management process and compliance and asset management process during the final design, development, and implementation phases of the Reengineering Initiative.

Significant implementation issues will be experienced with legacy systems and data, hand-offs of operational responsibility, etc., as the RMP transitions from the current to future business processes and support systems. Many of these issues will be addressed by the information technology development and implementation strategy. However, one area must be immediately addressed as a significant operational transition issue: the dramatic shift in RMP's compliance approaches and the concomitant reduction in business cycle time from 6 years to 3, or less. The *Road Map* calls for immediate transition planning and action to ensure that compliance tracking and coverage are maintained and that the transition to the future compliance and asset management process is timely and orderly. A key aspect of the transition planning is the integration of State and Tribal delegated agreements into the new end-to-end process.

Acquiring Technology Solutions

The RMP needs a comprehensive technology solution to support its reengineered business processes for the 21st century. The *Road Map* lays out the acquisition strategy and the steps the RMP must take to properly introduce the technologies that will support the reengineered business processes.

The MMS formed an Integrated Project Team (IPT) of RMP and Bureau level managers to address and manage procurement, information technology, and budget issues involved in advancing the Reengineering Initiative. The IPT is responsible for formulating the acquisition strategy, including the method and timing for the acquisition, and addressing the capital programming requirements of the Office of Management and Budget (OMB), the Clinger-Cohen Act, and related statutory requirements. The IPT will also help manage and oversee the actual acquisitions

and development work and meet the requirements for reporting status to OMB and other interested parties. Information technology and management support will be provided by Performance Engineering Corporation.

Changing Regulations and Reporting Requirements

Major improvements are planned in the regulatory reporting requirements of payors and operators—including the elimination, consolidation, and streamlining of existing reporting forms. Many of the changes were recommended by the Royalty Policy Committee in its May 1996 report, "Royalty Reporting and Production Accounting." The *Road Map* lays out the necessary actions, which include extensive outreach and consultation with affected constituencies, obtaining regulatory approvals, getting necessary changes for electronic commerce/Electronic Data Interchange, establishing a logical, feasible transition schedule for shifting to new reporting schemes, and aligning MMS and RMP databases for old and new reports.

Modifying Organization Structures, Transition, and Training

Two end-to-end core business processes will meet the primary mission requirements of the future RMP: the financial management process and the compliance and asset management process. RMP organization structure and staffing patterns will need to change in order to support these business processes. Considerable work remains to be done to define the future organization structure, staffing patterns, and transition strategy and to develop the change management plan for moving RMP to its future. The transition strategy must allow for melding future business processes with State and Tribal delegations.

The *Road Map* identifies the critical planning areas and presents a logical approach and timetable for addressing transition issues. RMP intends to use internal resources and external consulting services to plan for and complete the transition.

Outreach and Communications

An aggressive outreach and communications strategy is essential to successfully implement RMP's future reengineered business processes and install needed automated support systems. The *Road Map* presents the planning framework for an extensive outreach and communications strategy that we will use to involve and communicate with our customer base and our work force.

Performance Stretch Goals

RMP senior managers, at the onset of the Reengineering Initiative, established the following specific performance "stretch goals":

- Provide revenue recipients with access to their money within 24 hours of the due date.
- Ensure compliance with applicable laws, lease terms, and regulations for all leases in the shortest possible time, but no later than 3 years from the due date.

Successful implementation of the reengineered business processes and support systems as outlined in the Road Map will position RMP to achieve these lofty goals.

Strategic Goals

The reengineering designs and recommendations compliment MMS's Strategic Plan by advancing the specific goal to "provide timely, accurate, and cost-effective mineral royalty collection and disbursement services." They also advance many Government Performance and Results Act (GPRA) goals, including:

- Improve the timeliness and accuracy of payments to States, Indian Tribes, Bureau of Indian Affairs offices, and other Federal agencies.

- Improve the cost-effectiveness of mineral royalty collection and disbursement services.

- Improve reporters' compliance with lease terms, regulations, and laws.

Benefits

Full implementation of the process, information technology, and organizational improvements set forth in the *Road Map* will dramatically improve RMP's overall program performance. Some of the many benefits that can be realized by RMP and its customers include:

- Reduces the business cycle from 6 years to 3 or fewer, which will accelerate cash flows, improve accuracy of first reporting and payment of royalties, and expedite problem resolution.

- Increases confidence that royalties have been paid correctly. New end-to-end asset management processes will more rapidly confirm compliance on large segments of the lease universe and will increase royalty revenues through broader compliance coverage.

- Increases capability for timely identification and collection of royalty underpayments through improved processes and analytical approaches.

- Enables asset management decisions, such as whether to take royalties in-kind or in-value, to be made at the lease and producing area levels.

- Modernizes RMP's automated information infrastructure (current systems cannot support reengineering changes and future mission requirements).

- Simplifies current regulatory reporting requirements to reduce the burden for both RMP and industry (royalty reporting can be reduced 40 percent, thereby yielding substantial cost savings to RMP and industry).

The Future RMP

The Reengineering Initiative evolved from a vision for a future RMP that is process-centered, highly integrated, focused on customers, and well-positioned to provide the very best royalty management services at less cost. This *Road Map to the 21st Century* and its many reengineering action elements are the vehicle to make this vision a reality. No single reengineering change will accomplish this. However, the reengineering concepts and recommendations—such as property- focused basin teams, highly integrated end-to-end business processes, accelerated cash management practices, modernized and more flexible information technology capability, and simplified royalty reporting—can, in combination, enable RMP to attain this higher level of excellence in program performance.

1 Reengineering Business Processes and Support Systems

The Royalty Management Program (RMP) of the Minerals Management Service (MMS) is making fundamental changes to its business processes and support systems in order to deliver the best royalty management services possible at the lowest possible cost in the 21st century. In April 1997, the RMP made a formal decision to conduct in-depth reengineering of all RMP core business processes and support systems. The principal objective of this Reengineering Initiative is to design, develop, and implement new core business processes and supporting systems for the 21st century.

In March 1998, the RMP Reengineering Team issued the *Preliminary Design Concepts for the RMP of the 21st Century*—which presents design concepts and recommendations in the areas of organization and business processes, technology, and information needs. The recommendations have served as the foundation for further work in technology prototyping and process piloting, and in developing alternative strategies for implementing processes and acquiring needed automated support systems.

The RMP is now prepared to enter the implementation phase of the Initiative.

1.1 Background

The RMP is responsible for ensuring that all revenues from Federal and Indian mineral leases are efficiently, effectively, and accurately collected, accounted for, verified, and disbursed to appropriate recipients. These revenues amount to more than $5 billion annually and involve more than 60,000 mineral leases. RMP also operates a comprehensive compliance strategy that includes an automated compliance verification program that validates the accuracy and timeliness of revenues paid and an audit program that is staffed by MMS, State, and Tribal auditors.

In April 1996, the RMP began a reengineering initiative to examine its existing compliance strategy and define and implement a new compliance strategy that satisfied, in the most cost-effective manner possible, the compliance program's primary purpose of ensuring that Federal and Indian mineral lease revenues are paid in an accurate, timely fashion.

In August 1996, the Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 (RSFA) was enacted, amending the Federal Oil and Gas Royalty Management Act of 1982, the Outer Continental Shelf Lands Act, and the Mineral Leasing Act. RSFA significantly changed many of RMP's historical operating assumptions and some fundamental Federal oil and gas mineral revenue financial activities as well. RMP managers realized that they needed to make near-term changes in processes and systems in order to comply with the law, but they also

knew that they needed to develop longer term strategies for handling business processes and aging systems if RMP was to be cost-effective and responsive to customer needs.

On April 1, 1997, RMP announced that the Reengineering Initiative would go beyond compliance reengineering and instead address all core business processes. The objective of the expanded initiative is to design, develop, and implement new core business processes and supporting systems for the 21st century. This is the most comprehensive review of business processes and organization RMP has undertaken since its creation in 1982. Unlike past initiatives, which addressed and incrementally improved existing operations, reengineering is more comprehensive in its approach and application; it challenges the underlying assumptions on which an organization is built and redesigns processes, structures, and systems around desired outcomes.

1.2 Design Parameters and Stretch Goals

RMP senior managers defined the design parameters and the stretch goals to guide the process design and development work. Specifically, the future processes and support systems need to:

- Support the collection of in-cash and in-kind royalties.
- Support delegated activities related to royalty administration.
- Permit the use of a variety of methodologies to value production.
- Permit RMP to use franchising arrangements to provide related financial services for other customers.

Performance stretch goals are an integral part of any Business Process Reengineering (BPR) effort. The performance stretch goals defined by RMP management are:

- Ensure compliance with applicable laws, lease terms, and regulations for all leases in the shortest possible time, but no later than 3 years from the due date.
- Provide revenue recipients access to their money within 24 hours of the due date.

Stretch goals, by definition, cannot be achieved through existing processes. Management established these goals to challenge the design team as it explored new processes and new ways of doing business. In order to accomplish the stretch goals, or even to make significant progress, the RMP must undergo dramatic change.

The design team was also guided by the following parameters:

- Current laws will continue to apply.
- RMP regulations can be changed.

- Reporting requirements should be simplified.
- New work processes should cost less than current mission work.

1.3 The Reengineering Approach

The first steps in the RMP-wide Initiative were to establish the project management structure and assemble and train a multidisciplinary design team with representatives from throughout the RMP, the MMS's Office of Policy and Management Improvement, and the State and Tribal Royalty Audit Committee. The work of the design team was guided by a charter developed by RMP senior managers. At this stage of the Initiative, Business Process Reengineering (BPR) consulting services were provided by Rouleau and Associates, Inc., and information technology and BPR support was provided by Performance Engineering Corporation (PEC).

The design team examined the current RMP business environment, beginning with an intensive mapping of "as-is" processes. Then, PEC conducted an in-depth assessment of the automation infrastructure supporting existing business processes. The design team conducted extensive benchmark surveys of other public and private enterprises within and outside the United States to identify "best practices" that might be used in designing future RMP processes.

The design team also examined prior studies and recommendations prepared by MMS, the Royalty Policy Committee, the Office of Inspector General, and others. As the initiative proceeded, the design team consulted extensively with employees, industry, States, and Indian Tribes regarding the efficiency and effectiveness of current RMP processes and viable alternatives for managing royalty revenues in the future.

The design team considered a variety of alternative approaches for future business processes in their search for the best solution to meet the design criteria and stretch goals specified by senior RMP management. The team concluded that the future RMP could best accomplish its mission through two basic, core end-to-end business processes. Focus was placed on refining these two processes and the information requirements for supporting the processes. The technology implications of implementing the two core business processes were addressed by Performance Engineering Corporation in its *Alternatives Assessment Report* of March 1998. PEC described several alternative approaches to implementation, and identified the preferred approach.

Most recently, RMP engaged the services of Productive Data Federal Solutions, Inc. (PDS) to perform an independent validation and verification of its plans for implementing the recommended reengineering improvements. In its September 1998 report (see Appendix A), PDS documents its review of RMP's Reengineering Initiative and implementation strategy in the following areas:

- Reasonableness of the proposed approach to systems modernization.
- Feasibility of the information technology implementation strategy.
- Reasonableness of proposed time frames.
- Viability of contracting approach.
- Reasonableness of budget estimates.
- Assessment of planned forms conversion/renovation.

PDS concluded that the RMP reengineering effort had been extensively and well planned and affirmed the phased implementation approach. Overall, PDS endorsed the reasonableness of the proposed implementation schedule, the appropriateness of the requested funding, and the acceptability of the planned contractual approach for information technology acquisition.

1.4 The Preliminary Design Concepts

In January 1998, the Reengineering Team issued a draft of the *Preliminary Design Concepts Document*, which presented future design concepts grouped into three areas: organization and business processes, automation infrastructure, and information needs. The team concluded that the future design concepts would allow RMP to achieve the stretch goal of knowing that revenues were correctly paid within 3 years or less after the payment due date. The team also concluded that RMP would be able to move significantly closer to the stretch goal for 24-hour funds availability to recipients.

The draft was reviewed by employees and constituencies. Comments and instructions from senior RMP management were incorporated into the final *Preliminary Design Concepts Document*, which was published in March 1998.

In April 1998, the *Preliminary Design Concepts Document* was placed on the MMS home page for public access through the Internet. Since then, the Reengineering Team has conducted extensive analysis of the financial process, piloting of the compliance and asset management process, and prototyping of technologies to support RMP's future business processes. Reports describing this further work are referenced in Appendix A.

1.4.1 Financial Management

Further evaluation of RMP financial processes yielded a series of near-term and long-term recommendations to help RMP streamline its financial operations and move toward meeting the 24-hour stretch goal. These findings and recommendations are presented in a September 1998 report. Some of the recommendations can be implemented in the current operating environment, whereas others are being included in the future process designs and functional requirements for automated support.

1.4.2 Process Piloting and Technology Prototyping

The three process pilots completed this year successfully demonstrated the compliance and asset management process and provided valuable information related to technology support needs as well as the organizational and cultural implications of implementation. The pilots involved onshore oil and gas leases in northeastern Utah, offshore oil and gas leases in the Gulf of Mexico, and coal leases in the Powder River Basin of Wyoming. The pilot teams applied the compliance and asset management process concepts and confirmed that:

- The property and producing area focus is more efficient than current approaches, and RMP will be better able to manage Federal and Indian mineral leases. The pilot teams successfully acquired a substantial knowledge base on all royalty-relevant aspects of pilot producing areas. Using this knowledge and analytical tools, the teams were able to successfully assess the reasonableness of royalty payments.

- The dynamic data verification approach to analyzing royalty payments can successfully identify instances of noncompliance and will augment other compliance validation approaches envisioned for the reengineered business environment. The need exists for other resource management tools such as trending and on-line analytical processing, data warehousing, work flow, case management, and geographic information systems support.

- The performance-based team approach can positively leverage the benefits realized from the end-to-end compliance and asset management process.

- The RMP should be able to effectively manage royalty assets with a high level of confidence that RMP has received a reasonable royalty payment within the 3-year stretch goal.

The technology prototype conducted by Performance Engineering Corporation was also successful in demonstrating a variety of efficient and effective technology approaches and solutions for supporting future RMP business processes.

1.5 Design Concepts for Implementation

With demonstration and confirmation work completed, the following design concepts will form the foundation for the implementation of RMP's future business processes and support systems.

1.5.1 Organization and Business Processes

Two end-to-end core business processes will meet the primary mission requirements of the future RMP: the financial management process and the compliance and asset management process.

Financial Management Process

The financial management process will ensure the proper receipt and timely processing of money and information. The process will remain centralized and will focus on payors, operators, Federal and State agencies, Tribal governments, and allottees for information and money flow. The process will be supported by a modern, automated accounting system based on commercial off-the-shelf software applications that feature double-entry accounting, end-to-end accountability for funds, integrated reporting, and system-generated financial statements. Other financial management activities such as billing, payment application, and distribution and disbursement will be extensively automated and supported by work flow and case management systems. These actions will eliminate many stand-alone applications and the inherent operations and maintenance costs, simplify internal and external reporting, streamline payment and cash application processing, and ensure proper internal controls are in place.

Organizationally, RMP's Accounting and Reports Division will not differ appreciably in the future. Because royalty payments and related information processing represent a key mission requirement for RMP, they must remain viable through the transition and implementation phase of the Reengineering Initiative.

Compliance and Asset Management Process

The compliance and asset management process will ensure that all revenues, whether received through in-kind or in-value royalties, are accurately reported and paid and that the compliance status of all leases is known. Regional basin groups will focus on defined producing areas and the properties located therein.

The regional basin groups will manage a full range of compliance and asset management activities, including product valuation, market analysis, verification, and audit. The groups will structure analytical capability at the same level on which the industry operates: the property and the producing area. They will leverage knowledge of the producing areas including the physical infrastructure of gathering and transportation systems and processing plants, markets served and prices realized, buyer-seller relationships, and numerous other factors.

Fundamental to compliance and asset management is the dynamic data verification process. Simply stated, the dynamic data verification process will combine knowledgeable staff with information, state-of-the-art automated analytical tools, and procedures in an end-to-end process that focuses on properties and producing areas to accomplish RMP's business goals. The concept design is flexible and will support both in-value and in-kind royalty streams. Other asset management tools will also be used to leverage knowledge of properties and producing areas and provide further support to truly manage the royalty resource as an asset.

Transitioning to the compliance and asset management process will involve fundamental change in the current organization and current processes. Present functionally aligned compliance work performed in RMP's Compliance Verification Division, Royalty Valuation Division, and three Audit Divisions will be shifted to an end-to-end process. Employees will be accountable for a broader range of work that will be outcome-based, not output-based. The work they will perform will focus on producing properties and areas, and they will be expected to acquire and manage a broad knowledge base of those properties and producing areas. Further, they will be working more independently in a team environment and will assume greater accountability for their work. The organizational structure to support the end-to-end compliance and asset management process will be very different from the current functionally aligned organization. Clearly, moving the RMP to the future compliance and asset management process will require careful transition and implementation planning and execution.

1.5.2 Automation Infrastructure

The RMP will modernize its existing systems infrastructure to implement the reengineered business processes. RMP's current mainframe-based systems are obsolete and cannot support future reengineered business processes. The current systems were implemented in the early 1980s and have been subjected to thousands of changes to meet an expanding mission. The systems environment is complex, inefficient, difficult to change, and expensive to maintain. The mix of aging systems and changes of the magnitude needed to support reengineered business processes represents a major risk to future systems reliability and operational stability.

RMP needs a comprehensive technology solution to support its reengineered business processes for the 21st century. The future process designs, technical analyses, and process pilot and prototype work performed to date indicate the following technologies are required:

- Relational database management system
- Work flow and case management
- Internet, world wide web, and intranet
- Imaging and optical/intelligent character recognition
- Index and search tools
- Data warehouse
- On-line analytical processing tools
- Geographic information systems
- Electronic data interchange/electronic commerce.

Acquisition strategy will be critical in order to properly sequence introduction of the technology that will support the reengineered business processes that are introduced as RMP transitions to the future business processes and organization structures.

1.5.3 Information Requirements

Major improvements will be made in the regulatory reporting requirements of payors and operators, including eliminating, consolidating, and streamlining existing reporting forms. Many of the changes were recommended by the Royalty Policy Committee in its May 1996 report, "Royalty Reporting and Production Accounting." Additional changes have been identified based on further analytical work and outreach and consultation with constituency groups.

1.6 Stretch Goals and Benefit Opportunities

Successful implementation of the reengineered business processes and support systems will dramatically improve RMP's overall performance and ensure that future mission requirements are fulfilled at the lowest possible cost.

1.6.1 Stretch Goals

Based on work accomplished in design, process piloting, and technology prototyping, RMP's reengineered business processes, if properly supported by technology, will be able to:

- Achieve the reengineering stretch goal of ensuring compliance with applicable laws, lease terms, and regulations for all leases in the shortest possible time, but no later than 3 years from the due date.

- Move the RMP significantly closer to achieving the reengineering stretch goal of providing recipients with access to their funds within 24 hours of the royalty payment due date.

1.6.2 Benefit Opportunities

Through the implementation of the reengineered business processes and support systems, RMP and its customers stand to reap meaningful benefits in three areas: organization and business processes, automation infrastructure, and information needs.

Organization and Business Processes

- Dramatic reduction in the RMP business cycle (from 6 years to 3 or fewer). This change will place RMP on a business cycle that is more closely aligned with the business cycle of the royalty payors. Benefits that will be realized by RMP, States, Tribes, and industry include:

  - Accelerated cash flow through more timely identification of royalty underpayment issues.

  - Improved accuracy in reporting payment of royalties, thereby reducing the overall cost of royalty administration to RMP and industry.

  - Earlier identification of emerging royalty payment issues, which permits earlier resolution before the passage of time makes resolution more difficult.

  - Substantial increase in efficiency and reduction in costs of problem identification and resolution because payor's access to records is improved when records have not been archived, and employees involved in creating and using the records in paying royalties are more likely to be available for assistance.

- Improved focus of RMP's resources and decision-making onto organizational goals, objectives, and desired outcomes, and on its ability to establish accountability within the organization.

- Removal of obstacles inherent in a functionally aligned organization through the focused team approach.

- Increased confidence that royalties have been paid correctly. As compliance is confirmed on large segments of the lease universe, resources can be concentrated on leases and producing areas with suspected reporting and payment problems. As a result, compliance coverage can be increased and reporting errors can be reduced. A variety of issues such as the royalty impacts of processing and transportation infrastructures, historically receiving little attention, can be addressed. Increased royalty revenues are expected through real increases in compliance coverage.

- A current understanding of leases, production environment, markets served, prices realized, etc. For the first time, RMP will have the information and analytical capability to make asset management decisions at the lease and producing area level as to whether royalties should be taken in-kind or in-value. Timely and effective asset management decision-making can lead to increased revenues through royalty-in-kind strategies.

- Better understanding of the broader royalty management process. RMP employees will be able to conduct in-depth analyses of all variables affecting royalties and will be able to more effectively acquire, manage, and transfer this knowledge. One associated outcome is the ability to determine and communicate lease status; another is better integration of RMP compliance activities with Bureau of Land Management and MMS' offshore production verification activities. Finally, RMP staff will have a greater ability to become true resource managers.

Automation Infrastructure

- A technical architecture that will cost-effectively support RSFA-based delegation, new reengineering design concepts, and future franchising initiatives.

- Improved efficiency and reliability and potential cost savings presented in recent reports of the Office of Inspector General and others who call for modernization of RMP systems.

- Improved information access and sharing capability for RMP, States, Tribes, and industry.

Information Needs

- Simplified reporting requirements and 40 percent reduction in reporting burden for both industry and RMP. The Royalty Policy Committee estimated substantial cost saving to RMP by implementing their reporting recommendations. Further substantial cost savings to industry are expected.

1.7 Preparing for Implementation

The RMP is prepared to enter the implementation phase of the Reengineering Initiative. The *Preliminary Design Concepts Document* defined the conceptual framework of future business processes, information systems, and information requirements. RMP senior management addressed the concepts, and work proceeded to test and refine the concepts through process pilots, technology prototyping, and further analytical work. The reengineering team is continuing to coordinate and conduct work related to completing the functional requirements for acquisition support; establishing longer term information technology and contract management/integration support; completing the redesign of reporting forms; and preparing planning documents for the implementation phase of the Initiative.

The path toward implementation will see fundamental changes in business processes, particularly in the future compliance and asset management process. Through these changes, the RMP will, for the first time, quickly know that royalties have been correctly paid and will be positioned to become an active asset or resource manager. Process changes will also occur with the advent of the future financial management process, but they will be less dramatic.

The implementation path for the compliance and asset management process and the financial management process have significant information implications. The kinds of data reported, the formats in which data is reported, and the ways in which data is used will change. Changes in business processes and information management will bring significant changes in how work is done by people. The structure of many position descriptions will fundamentally change, as will the nature of the management hierarchy that is needed for the future.

Significant investments in training, professional development, and organization/ employee transition are planned. Changes will be made to existing information

system and applications software, and technology tools and applications that do not yet exist will be introduced.

To clearly define this implementation path, the RMP has prepared the *Road Map to the 21st Century*.

2 Road Map to the 21st Century

Implementation of RMP's future business processes and support systems will span a 3-year period ending September 2001. Many activities and tasks must be addressed and coordinated to successfully complete the implementation. This Road Map charts the implementation path for the RMP. It presents action elements grouped into five major categories of implementation focus. It provides clear definition of the action elements within the categories of implementation focus, with the time lines to accomplish the elements, and assigns accountability. The remainder of this section presents the Road Map the RMP will follow to implement its reengineered business processes and support systems and the project management structure that is in place to guide the implementation.

Project Management

Senior leadership for the Initiative is provided by MMS' Associate Director for Royalty Management in consultation with the Associate Director for Administration and Budget. Overall project management and coordination of the implementation will be provided by RMP's Program Reengineering Office (PRO) with assistance from the MMS's Integrated Project Team (IPT). The PRO is a multidisciplinary project management staff that reports directly to RMP's Associate Director and Quality Steering Committee of senior division and office managers. The IPT is composed of senior RMP and Bureau level managers and is responsible for addressing and managing procurement, information technology, and budget issues involved in advancing the reengineering initiative. Technical support for project management will be provided by Performance Engineering Corporation (PEC). Change management consulting services will be provided by Rouleau and Associates, Inc. Exhibit 1 depicts the project management organization.

An overall project management plan will be developed by PRO and maintained to provide specific project management focus, tracking, and integration for each category of implementation focus and for each action element. The project management plan will be constructed from action element plans developed by accountable parties.

As RMP moves toward implementation, the Quality Steering Committee (QSC) will play a critical role in overseeing and managing the transition and leading the Reengineering Initiative as these new concepts move from design to implementation. Members of the QSC will provide leadership in many forms as they:

- Lead and direct the three Operational Model teams and serve as integral contributors to development of the compliance and asset management process.

- Sponsor the financial management process development and systems integration.

- Sponsor and oversee the activities of the various transition teams identified in this section.

- Coordinate current and future process changes within their areas of responsibility—financial and royalty processing, automated systems, compliance, personnel, etc.

- Participate in outreach and communication sessions with both external constituents and internal RMP staff.

It is the people side of reengineering that will determine its ultimate success. Perfectly designed business processes and information technology (IT) solutions will avail little if they are not accepted by the RMP work force and those who do business with us. As we move to implementation, reengineering is no longer the exclusive province of the reengineering team—it now belongs to every RMP manager and employee. Through this Road Map and its associated management structure, the Initiative can move forward and realize the benefits that will come from implementation of reengineered business processes and support systems.

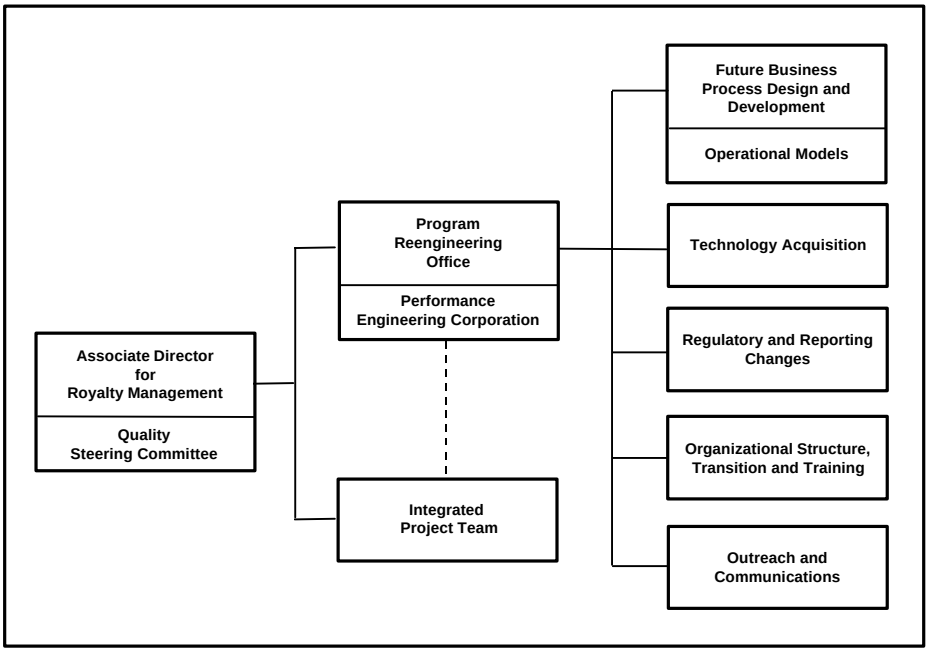

Exhibit 1. Project Management Structure

Elements of the Road Map

The Road Map consists of key action elements grouped into five major areas that focus implementation steps along logical activity paths toward specific objectives. Many of the action elements have interdependencies that will be specifically addressed and monitored at a detailed level by project managers.

The major areas of implementation focus are:

1. Transforming future business processes into reality
2. Acquiring technology solutions
3. Changing regulations and information reporting requirements
4. Modifying organizational structures, transition, and training
5. Outreach and communication.

Implementation at a Global Level

The overall project time lines for the major areas of implementation focus are depicted in Exhibit 2. The remainder of Section 2 presents the action elements within each major area of implementation focus. Many of the action elements will require further detailed planning documents that will be approved by senior management and used to coordinate and execute work and track progress against the critical path to ensure timely completion of project objectives. An overall summary of action elements is presented in Exhibit 3 at the end of this section.

2.1 Transforming Future Business Processes into Reality

The principal objectives of action elements in this area of implementation focus are to (1) translate future business process design concepts into functional requirements and process maps that will support organization restructuring and technology acquisition, (2) prepare a logical implementation path for the compliance and asset management process through the Operational Model phase of the Initiative, (3) integrate the Operational Model requirements with the spiral development strategy for supporting technology, (4) implement audit strategies that will effectively transition compliance coverage from existing to future business processes, (5) integrate State and Tribal delegated agreements into future business processes, and (6) transition the financial management process into the future operating environment.

The *Preliminary Design Concepts* document of March 1998 defined RMP's two future core end-to-end business processes: the financial management process and the compliance and asset management process. The financial management process concepts are supplemented by the "Financial Management Recommendations" report of September 1998. Together, the two documents, and the considerable body of work that underpins them, present the basic foundation for RMP's future financial management process. Work is continuing to translate the process designs to functional requirements, process maps, and performance goals to be used to solicit solutions for the future from information technology vendors.

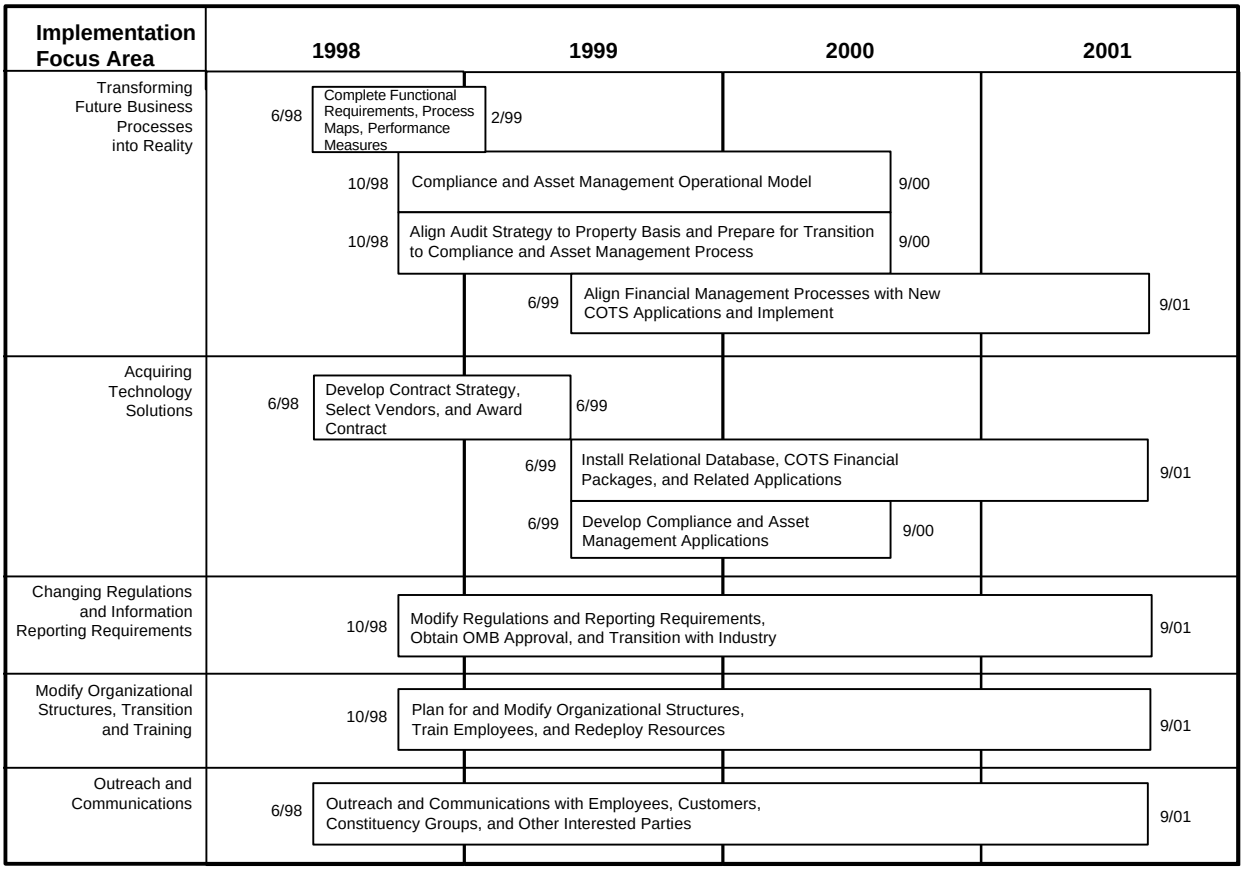

Exhibit 2. Reengineering Road Map Milestones

RMP will be seeking commercial off-the-shelf (COTS) accounting products to support the financial management process. These products will have an impact on the business process design and how work is performed. We expect the impacts to not be major; however, we recognize that transition and implementation planning and execution must be adjusted accordingly once specific products are selected. These changes will be made by RMP and vendors during the implementation phase.

Similarly, the compliance and asset management process is defined in the *Preliminary Design Concepts* document and is further supplemented by the process pilot findings and recommendations presented in the September 1998 report titled *Piloting RMP's Future Compliance and Asset Management Process*. Together, the two documents, and the considerable body of work that underpins them, present the basic foundation for RMP's future compliance and asset management process. Work is continuing to translate the process designs to basic functional requirements and process maps to be used to seek vendor proposals for spiral development strategies for supporting technology. RMP will continue to develop process requirements through the Operational Model phase of the Initiative. These requirements will be coupled with the spiral development strategy RMP will use to introduce technology to support compliance and asset management. With this development and implementation strategy, RMP will be able to link, at the most opportune time, the actual process applications in the Operational Models with the best available implementing technologies.

Operational Models

The Operational Model phase of the Reengineering Initiative is the next logical step in the evolution of the compliance and asset management process. The Operational Models will build on the process pilot successes by working the compliance and asset management process in a live environment. The general objectives are to further refine the compliance and asset management process; develop a more thorough understanding of information technology requirements; determine, in concert with States and Tribes, delegation implications; and address organizational and cultural issues. Furthermore, the organizational structure and team environment will be modeled to closely resemble the vision of the future, moving management from the current "command and control" orientation to one more characterized by coaching and providing resources, placing more emphasis on customer support and process improvement, and supporting broader job responsibilities. The knowledge component of compliance will be extended and refined, collecting and leveraging knowledge of industry practices, internal processes and geographic-specific information such as local market conditions and customs, transportation systems, gas plants, and other infrastructure factors that affect royalty management.

The Operational Models will consist of multidisciplinary teams that will apply the compliance and asset management process in a live environment to logical subsets of leases in producing basins or areas. The scope of the Operational Models will include offshore, onshore, and solid minerals. The teams will take full operational compliance responsibility for the production revenues from the leases. The responsibility for the leases will be transferred from five different divisions in the current RMP organization.

The first model team will address a subset of oil and gas leases on the Outer Continental Shelf in the Gulf of Mexico. The transfer of compliance responsibility for the first model team will be effective for production occurring on and after January 1, 1999. Additional model teams for onshore oil and gas and solid minerals will follow after consultation and involvement of affected States and Tribes.

Performance Engineering Corporation will provide information technology support for the Operational Models.

Partnerships

A key aspect of transition and implementation is the continuing engagement of States, Tribes, and industry as full partners in the transformation process. These partnerships provide yet another avenue for constituency involvement in refining RMP's future business processes, delineating reporting requirements, and leveraging information technology to achieve RMP's 21st century business goals and objectives. State and Tribal representatives will continue to be intimately involved as partners in the Reengineering Initiative through the design and development teams and the Operational Models. Similarly, industry participation will continue through the Council of Petroleum Accountants Societies and will be augmented by partnerships with several royalty payors and production reporters who will provide representative input on the many aspects of systems and process design and development, future reporting requirements, and the Operational Models. The Royalty Policy Committee will also continue to be a forum for participation by representatives of States, Tribes and allotees, and industry.

The Transition Avenue

The Operational Models will ultimately serve as the logical avenue for the transition of the current RMP compliance programs to the future compliance and asset management process. As the Operational Models are developed, additional segments of the lease universe will be brought under the new reengineered business process. Using this strategy, RMP avoids the many problems that would be encountered with an abrupt organization-wide change in business processes. However, one very significant transition issue that must be addressed immediately relates to compliance coverage.

Process Changes and Compliance Coverage

Significant transition and implementation issues will be experienced with legacy systems and data, hand offs of operational responsibility, etc. Many of these issues will be addressed as a part of the information technology development and implementation strategy previously discussed. However, one area in particular that must be specifically addressed as a significant operational transition issue is the dramatic shift in RMP's compliance approaches and the concomitant reduction in business cycle time from 6 years to 3 or fewer years. Immediate transition planning must begin to assure that compliance coverage is maintained as an orderly hand off occurs from the existing audit function to the future compliance and asset management process. In addition to an orderly transition, the plan needs to achieve a significant reduction in the unaudited period when RMP converts from the existing compliance audit approaches to the future compliance and asset management end-to-end process.

State and Tribal Delegations

The Federal Oil and Gas Royalty Management Act of 1982 and the Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 provide for cooperative and delegation agreements for States and Tribes to undertake a variety of royalty management activities. Historically, the agreements have focused on audit activities as structured within RMP's current business processes. Future business process designs will affect current compliance strategies and the existing agreements with States and Tribes.

The Operational Model phase of the Reengineering Initiative will enable RMP, States, and Tribes to better understand the impacts. Also, the models will help RMP, States, and Tribes begin to plan for future cooperative and delegation agreements in the context of the new business processes. These future agreements may encompass royalty management activities that are broader than just audit. It is important as a part of the transition and implementation planning process that we fully involve the States and Tribes to ensure they integrate or use RMP's new end-to-end process to the greatest extent possible.

Major Action Elements, Time Lines, and Accountability

The major action elements, time lines, and accountable parties for this implementation focus area are as follows (acronyms are defined in Appendix B):

1. Complete onshore, offshore, and solid minerals pilots of compliance and asset management process and issue a report, with recommendations to support process design and operational model development

Time Line	8/98
Accountable	Chief, PRO

2. Translate financial management and compliance and asset management process designs to functional requirements, process maps, and performance goals to be used to solicit information technology vendor

   Time Line 12/98
   Accountable Chief, ARD/Chief, RVD/Chief, PRO

3. Complete financial management functional requirements and data elements for design development

   Time Line 2/99
   Accountable Chief, ARD/Chief, RVD/Chief, PRO

4. Authorize Operational Model phase and assign QSC Model Leaders

   Time Line 8/98
   Accountable Associate Director

5. Engage industry, States, and Tribes as full partners in the transformation process.

   Time Line 10/98–9/01
   Accountable Chief, PRO/Model Leaders

6. First Operational Model Team in place for OCS (additional model teams to be scheduled for onshore oil and gas, and solid minerals)

   Time Line 11/98
   Accountable Model Leaders/Chief, PRO

7. Staged technology builds to support model teams

   Time Line 10/98–9/99
   Accountable Chief, PRO/Chief, SMD/Vendors

8. Operate and expand model(s), evaluate performance, integrate experiences with process design and spiral development effort and with transition and implementation planning and execution

   Time Line 1/99–9/00
   Accountable Model Leaders/Chief, PRO/Chief, SMD/Vendors

9. Develop and implement property-based audit strategy to expedite coverage of historical periods and transactions

   Time Line 10/98–9/00
   Accountable Chiefs, Audit Divisions & CCO

10. Integrate property-based audit strategy with Operational Models to refine and test the new business process for program-wide implementation

    Time Line 6/99–9/00
    Accountable Model Leaders/Audit Division & CCO Chiefs/Chief, PRO

11. Modify cooperative and delegated agreements with State and Tribal governments to ensure their integration or utilization of RMP's new end-to-end business process to the greatest extent possible

    Time Line 10/00–Beyond
    Accountable Chief, SICD/Chief, PRO/Chief, WASC

12. Fully implement new compliance and asset management process with 3-year business cycle

    Time Line 10/00–Beyond
    Accountable Region Managers for Compliance and Asset Management

13. Identify, test and implement COTS financial applications to the fullest extent in modular development of end-to-end financial management process

    Time Line 6/99–9/01
    Accountable Chief, ARD/Chief, SMD/Vendors

14. Fully implement new financial management process to support having money available to recipients within 24 hours of due date.

    Time Line 10/01–Beyond
    Accountable Chief, ARD

2.2 Acquiring Technology Solutions

The principal objective of action elements in this area of implementation focus is to prepare for and acquire information technology solutions to support RMP's reengineered business processes for the 21st century. The modernization of RMP's information technology (IT) environment is essential to implementation of RMP's reengineered business processes. Current systems were implemented in the early 1980s and have been subjected to thousands of changes to meet an ever expanding mission. Today's environment is complex, inefficient, difficult to change, and expensive to maintain. The mix of aging mainframe-based systems and substantial changes needed to support reengineered business processes represents a major risk to future systems reliability and operational stability. The recommended IT investments include implementation of a relational database management system, work flow/case management tools, and commercial off-the-shelf (COTS) accounting products. A host of automated analytical tools and enhanced use of the capabilities of the World Wide Web for reporting and information exchange are also contemplated. RMP is confident that the recommended reengineering improvements, coupled with a modernized IT environment, will dramatically improve the overall performance of its financial management and compliance and

asset management business processes and ensure that future mission requirements are fulfilled at the lowest possible cost.

Contracting Strategy

The contracting strategy employed features a two-phased contract award process. The first of the two RMP modules to be contracted will be the financial module, which includes a COTS-based financial and accounting system, a relational database management system, and an incremental "spiral" development plan for subsequent applications. In preparation for requesting proposals for the financial module, we will invite industry to submit capability statements. These statements will contain interested firms' qualifications to perform a successful contract based upon RMP business and system requirements. Evaluation of these submissions will identify proposals with the highest probability to succeed.

Requests for proposals on the financial module will be sent to these companies. Oral proposals (a technique which simplifies and economizes the proposal process for both the Government and offerors) in conjunction with certain written responses will streamline the evaluation and award process. Knowledge of and experience with COTS- based financial systems, past contractor performance as both a developer and system integrator, and a plan that facilitates spiral development of subsidiary software components and includes "best of breed" capability will be major areas of emphasis in contractor selection. This contract will establish and implement the financial system software, the relational database management system, and various applications developed in spiral fashion which will allow us to identify, prioritize, build and implement these applications with minimal customization. With each supplemental award, the spiral development approach will be applied at each step to assure that development and implementation are state-of-the-art, but not so cutting edge that we jeopardize success by implementing the unproven. The contractor will also be responsible for overseeing synchronization and integration of each new application with existing and planned infrastructure and applications.

This contract will be a combination of cost reimbursement and fixed price elements in order to maximize our capability to take full advantage of contractor abilities and subcontract opportunities. RMP envisions a variety of reimbursement schema, which will emphasize opportunities to provide incentives for superior performance and timely delivery of products and services.

Concurrently, work will proceed on the compliance module. Requirements will be further defined, and an Operational Model will be established this fall. The Operational Model will involve dedicated multidisciplinary teams taking operational responsibility for selected producing leases and applying the end-to-end compliance and asset management process in a live environment. RMP staff and the current on-site contractor will team in a separate spiral development supporting the Operational Model, testing and proving what works and what doesn't. By the end of FY 99, when the COTS financial system and the relational database management system are identified, the compliance module will be ready for development in anticipation of a September 2000 implementation. A combination of COTS, Federal Supply Schedule contractors, and on-site contractor assistance is envisioned with emphasis on fixed price off-the-shelf products and services minimizing, to the greatest extent possible, custom software applications.

Managing Risk

To ensure that the project achieves its goals, several performance-based measurements are included as part of the overall project plan. These measurements are designed to ensure that deviations from the plan are identified, progress is monitored, and milestones are met. These measurements include the use of modular builds to mitigate the risk of the systems development effort, internal reviews by the IPT to ensure the project is on schedule and on budget, and the use of quality review sessions with the contractor to ensure functionality and customer satisfaction is delivered. In addition to IPT milestone reviews, the RMP reengineering project also will undergo internal Quality Steering Committee reviews and regular reviews by the Program Reengineering Office. Specific performance goals to be evaluated include schedule, costs, contractor performance, and deliverable quality evaluations. Upon implementation, reengineering contributions to RMP mission accomplishment in the areas of financial management and compliance and asset management will be measured. Key performance indicators include timeliness of disbursing money to ultimate recipients and improvement in the RMP compliance index, which measures actual versus expected royalty payments. The index will be revised to incorporate reengineered processes and anticipated outcomes.

Major Action Elements, Time Lines, and Accountability

The major action elements, time lines, and accountable parties for the technology solutions implementation focus area are as follows (acronyms are defined in Appendix B):

1. Develop preliminary acquisition strategy, including sequencing of deliverables, and identify funding approach

   Time Line 7/98
   Accountable IPT/Chief, PRO

2. Obtain Department of the Interior Information Resource Management Review Council Approval to proceed

   Time Line 7/98
   Accountable IPT/Chief, PRO

3. Prepare OMB 300(b) and related documentation, including independent verification and validation review, for budget submission and approval

   Time Line 9/98
   Accountable IPT/Chief, PRO

4. Prepare and issue a solicitation for capability statements based on financial module functional requirements and select vendor pool

   Time Line 11/98–1/99
   Accountable IPT/Chief, PRO

5. Request proposals and award contract(s) for COTS financial system, relational database management system, compliance module, spiral development strategy, and component integration

   Time Line 2/99–9/99
   Accountable IPT/Chief, SMD/Chief, PRO

6. Prepare and implement contract management plan including technical and administrative transition and conversion planning to completion.

   Time Line 6/99–9/01
   Accountable IPT/Chief, PRO/Chief, SMD/Vendors

2.3 Changing Regulations and Information Reporting Requirements

The principal objectives of action elements in this area of implementation focus are to complete the definition of future information reporting requirements, gain necessary regulatory approvals, publish regulatory changes, and transition the RMP and industry to the new information reporting requirements. Major improvements are planned for regulatory reporting requirements of payors and operators. These changes include the elimination, consolidation, and streamlining of existing reporting forms. The major changes include:

- Eliminate Payor Information Form (MMS-4025)
- Modify Report of Sales and Royalty Remittance Form (MMS-2014) and associated reporting requirements
- Eliminate the Monthly Report of Operations (MMS-3160), simplify the Oil and Gas Operations Report (MMS-4054, OGOR), and use simplified OGOR for both onshore and offshore
- Eliminate the Solid Minerals Payor Information Form (MMS-4030) and the Solid Mineral Production Report Forms (MMS-4050, 4051-S, 4059, and 4060) and combine production and royalty information on one form.

Making these regulatory reporting changes a reality will require careful planning for transition and implementation. The tasks that RMP must address include further outreach and consultation with affected constituencies, obtaining regulatory approvals, getting necessary changes for electronic commerce/electronic data interchange, and establishing a logical and doable transition schedule for shifting to new reporting schemes.

Additional regulatory changes may be needed related to delegations of royalty management functions. This is dependent upon further regulatory review and evaluation of State and Tribal delegations as addressed in Section 2.1 (item 11 of Major Action Elements, Time Lines, and Accountability).

Major Action Elements, Time Lines, and Accountability

The major action elements, time lines and accountable parties for this implementation focus area follow (acronyms are defined in Appendix B):

1. Define royalty and production data elements and report formats

   Time Line 1/99
   Accountable Chief, ARD/Chief, RVD/Model Leaders/Chief, PRO/ Chief, RP

2. Identify needed regulation changes (primarily reporting related) and place on regulatory agenda

   Time Line 1/99
   Accountable Chief, ARD/Chief, RVD/Chief, PRO/Chief, RP

3. Prepare proposed forms changes (and related regulation changes), conduct customer and constituency outreach, and submit changes for OMB approval

   Time Line 10/98–6/99
   Accountable Chief, ARD/Chief, RVD/Chief, PRO/ Chief, RP

4. Provide OMB-approved royalty and production reporting formats to industry for systems modifications

   Time Line 6/00
   Accountable Chief, ARD/Chief, RVD

5. Initiate and complete work with PIDX for changes to EDI royalty and production data reporting formats

   Time Line 6/00–6/01
   Accountable Chief, ARD/Chief, SMD

6. Prepare and issue new payor/operator reporting handbooks to industry

   Time Line 1/00–12/00
   Accountable Chief, ARD/Chief, RVD

7. Complete payor and operator reporting training for new forms and requirements

   Time Line 1/01–6/01
   Accountable Chief, ARD/Chief, RVD

8. Complete RMP in-house training on new royalty and production reporting forms

   Time Line 1/01–8/01
   Accountable Chief, ARD/Chief, RVD

9. Institute new reporting requirements (a phased approach may be used depending on results of planning and industry outreach)

Time Line	10/01
Accountable	Chief, ARD/Chief, RVD

2.4 Modifying Organization Structures, Transition, and Training

The principal objectives of action elements in this area of implementation focus are to plan for and accomplish a smooth transition of RMP's organization and employees from today's business environment to the new organizational structures and work processes. Primary focus areas for transition planning at this stage of the Initiative relate to organization and people changes.

Organization and People Changes

Organization and people changes will be among the most difficult and complex challenges RMP faces as we transition to the reengineered RMP for the 21st century. The major organization and people issues that must be addressed in transition and implementation planning include:

- Organizational culture
- Communications
- Organizational design
- Staffing
- Performance and rewards
- Training and development
- Facilities and equipment.

High level strategies and associated time lines have been developed for each of the major action elements. Each of the strategies will be further developed through a Transition Planning Team to be sponsored by an RMP senior manager.

Significant organization and people areas that require immediate RMP attention include:

- Addressing change readiness
- Identifying knowledge management needs
- Developing the new organization design
- Training and developing managers and employees.

Addressing Change Readiness

It is the organization's people that ultimately determine the success of any new initiative. Simply put, for the organization to change, so must its people. How will RMP prepare employees and managers for anticipated changes?

First RMP must assess its change-readiness. A change-readiness assessment answers the question, "Where are we today?" A change-readiness assessment should also identify:

- Potential organizational barriers or cultural resistance that may impact our success in moving to the new organization and processes.

- Areas of strength and effectiveness that will assist us as we move to the new organization and processes.

Once these areas are identified, RMP can prioritize critical needs and gather facts, so that managers can make necessary decisions about how to mitigate the impact. This early focus will help RMP understand and plan for what the employees need in order for the employees to create sustainable change.

However, RMP's approach must go beyond transitioning to the new organization and processes. We must shift the mind-set in RMP. We must move RMP to a place where employees embrace continuous change as a way of life. We must focus on becoming a more flexible and adaptable organization that can respond to rapidly changing circumstances.

One example of a way to accomplish this transformation is through a continuous benchmarking program. A basic tenant of BPR is that reengineering is an ongoing process, not a singular event. Much can be learned from the experiences of other organizations as they initiate and respond to change. Benchmarking served the reengineering team well. Many of the basic ideas presented in the *Preliminary Design Concepts* document were garnered from benchmarking visits to organizations involved in both oil and gas resource management and BPR programs. As RMP looks to a future of continuous change, benchmarking can and will play a role in helping to identify and adopt best practices.

Identifying Knowledge Management Needs

Knowledge management refers to storing, maintaining, and providing a means of retrieving expertise and knowledge from within an organization. That knowledge involves not just systems and documents, but also such things as particular skills, contacts, or employees' past experiences.

Effective and active knowledge management will require many new perspectives and techniques. It will be essential to the future success of RMP and its reengineered business processes. We need to develop a new discipline and prepare a cadre of knowledge professionals with a blend of expertise that we have not previously seen. The movement to basin teams will be one step in enhancing RMP's knowledge management. Expanding that knowledge management capability will be critical to the long-term viability of the basin teams.

A knowledge management plan must be created that focuses on:

- Retaining and sharing institutional knowledge
- Fostering and promoting ongoing learning.

We must immediately begin the process of analyzing existing knowledge resources, determining issues in knowledge transfer and management, conducting future needs analysis, and recommending a framework for a phased knowledge management program.

Developing the New Organization

Organizational Design is the process of choosing and implementing structures that best organize resources to support the redesigned financial and compliance and asset management processes.

Design

An RMP corporate plan will be developed to determine a detailed organizational design and allocation of resources—both people and equipment. The corporate plan and roll-out strategy will address:

- The way we organize
- Management layers
- Decision-making authority
- Types of teams and how to organize teams
- A schedule to transition to the new organization.

Training and Developing Managers and Employees

A comprehensive RMP training plan will be developed to address training requirements, the infrastructure and strategy for meeting training requirements, and a schedule for delivering the needed training. The training plan will define and prioritize a broad range of training requirements for all phases. By way of example, training for the Operational Models will be:

- Short term to immediate term – needed to get the Operational Model teams up to speed as quickly and as efficiently as possible.

- Long term – additional training for the Operational Model teams as they stabilize the future processes and begin transition into the new reengineered organization.

- Sustaining – ongoing training focused on employee career development and refresher courses in the new RMP organization.

We will adjust the plan based on input from managers and employees, and on lessons learned, as we proceed through transition and implementation.

Major Action Elements, Time Lines, and Accountability

The major action elements, time lines, and accountable parties for this implementation focus area follow (acronyms are defined in Appendix B):

Transition Management/Organizational Culture

1. Expand Transition Planning Team (TPT) to conduct a broad range of transition planning and execution monitoring for the duration of the implementation. Assign a QSC sponsor.

   Time Line 11/98
   Accountable Associate Director/QSC

2. Develop high level transition strategy document

   Time Line 4/99
   Accountable TPT Sponsor/Vendor

3. Assess change readiness and organization resistance

   Time Line 10/98–6/99
   Accountable TPT Sponsor/Vendor

4. Prepare RMP knowledge management strategy document and phased implementation schedule

   Time Line 9/98–6/99
   Accountable Chief, PRO/Chief, SMD

Organizational Design

5. Develop new organizational design aligned with new business processes and that allows for flexibility and adaptability

   Time Line 7/99–6/00
   Accountable Associate Director/QSC

6. Develop organizational roll out strategy, including transition schedule

   Time Line 7/00-9/00
   Accountable Associate Director/QSC

7. Implement new organization structure

   Time Line 10/00–9/01
   Accountable Associate Director/QSC

Staffing

8. Determine roles and responsibilities for both staff and management (level of accountability and decision making)

   Time Line 6/99–6/00
   Accountable Associate Director/QSC

9. Determine team composition, skills, abilities, etc

   Time Line 6/99-6/00
   Accountable Model Leaders/QSC

10. Develop position descriptions for implementation

    Time Line 6/99-6/00
    Accountable Manager, WASC/Chief, PRO

11. Develop succession planning guidelines

    Time Line 1/00-6/00
    Accountable Associate Director/QSC/Manager, WASC

12. Determine selection process and fill positions in new organization

    Time Line 7/00–9/01
    Accountable Associate Director/QSC

Performance and Rewards

13. Develop comprehensive incentives/performance measures and evaluation structure linked to overall organization GPRA performance measures

    Time Line 10/98–6/00
    Accountable Associate Director/QSC

Training and Development

14. Prepare comprehensive training strategies to address short-term Operational Model support; longer term transition support; and sustained ongoing operations after transition.

    Time Line 8/98–10/99
    Accountable Chief, PRO/Model Leaders/TPT Sponsor/Training Advisory Committee/Vendors

15. Define training infrastructure to execute training strategies

    Time Line 8/98–10/99
    Accountable Chief, PRO/TPT Sponsor/Training Advisory Committee

16. Commit resources and implement training strategies

    Time Line 10/98–9/01
    Accountable Associate Director/QSC

Facilities and Equipment Transition

17. Develop and implement facilities and equipment plans for Operational Models and new organization

    Time Line 10/98–9/01
    Accountable Chief, PSO/Chief, PRO/Manager, WASC

2.5 Outreach and Communications

Outreach and communications will play a vital role throughout the implementation phase of the RMP Reengineering Initiative. The senior management of RMP is committed to communicating fully and openly with internal and external audiences to ensure that information is regularly and widely disseminated. This fundamental commitment to effective outreach and communications must be made if we are to successfully achieve a complete implementation of the reengineered business processes and support systems.

Current outreach and communications strategies need to be revised as the RMP shifts from the reengineering process design and development phase to the transition and implementation phase of the Initiative. We need to not only disseminate information, we need to be able to quickly identify, capture, and analyze change management issues (i.e., issues that are impeding the transition), so that resolution action can be taken quickly.

An Adaptable Strategy

A comprehensive outreach and communications strategy will be developed to guide RMP during the transition period and to support RMP towards full implementation. The existing Outreach and Communications Team will be expanded, will be assigned a QSC sponsor, and will be responsible for planning and maintaining communications and outreach efforts for both the near and long term.

One of the first steps in strategy development will be a needs analysis. The results of this analysis will form the basic foundation for the overall strategy. We anticipate the strategy will need to be multiphased to address the initiative during the transition and after implementation. It will be imperative that RMP managers, supervisors, and future leaders play an active role in developing and rolling out the outreach and communication strategies. Communication needs to be continuous and consistent as we enter more critical stages of implementing the reengineering initiative.

The first phase strategy for the period up to full implementation of the new processes and support systems in September 2001, will include:

- Increased levels of internal and external communications, including monthly updates using a variety of electronic media, including the Internet and the intranet.

- Internal and external outreach sessions with employees, customers, and constituencies to address current issues, solicit dialogue, and identify issues that may represent impediments to accomplishing the implementation phase.

- Employee forums to facilitate a free flow of communications and to help identify emerging transition issues so that they can be resolved before they affect the transition effort.

- Senior management updates to status the Initiative and seek decisions on key issues.

- Extensive senior management communications with employees that fosters participation and involvement in the implementation.

The second phase of the strategy will address the post-implementation period. It will need to be flexible enough to permit timely communications internally and externally on issues that invariably arise after an implementation effort. Furthermore, it will need to incorporate various media to communicate general information and issues and share knowledge of the newly implemented processes.

Major Action Elements, Time Lines, and Accountability

The major action elements, time lines and accountable parties for this implementation focus area follow (acronyms are defined in Appendix B):

1. Expand Outreach and Communications Team (OCT) and designate QSC sponsor

   Time Line 12/98
   Accountable Associate Director/QSC

2. Conduct ongoing outreach and communications with customers, clientele, and employees for overall Reengineering Initiative

   Time Line 6/98–9/01
   Accountable OCT Sponsor

3. Conduct needs assessment and develop outreach and communications strategy for transition and implementation

   Time Line 6/99–12/99
   Accountable OCT Sponsor

4. Execute outreach and communications strategy for transition and implementation

   Time Line 1/00–9/01
   Accountable OCT Sponsor

5. Develop outreach and communications strategy for post-implementation

   Time Line 3/01–8/01
   Accountable OCT Sponsor

6. Execute outreach and communications strategy for post-implementation

   Time Line 9/01–Beyond
   Accountable OCT Sponsor

2.6 Summary of Action Elements

Exhibit 3 presents in summarized form the action elements that need to be completed to accomplish a successful implementation of RMP's reengineered business processes and support systems.

Focus Area and Action Elements	Time Line	Accountable
2.1 Transforming Future Business Processes into Reality		
1. Complete onshore, OCS and solid minerals pilots	8/98	Chief, PRO
2. Translate process designs to functional requirements process maps, and performance goals for vendor solicitation	12/98	Chief, ARD/Chief, RVD/Chief, PRO
3. Complete financial management functional requirements and data elements for design development	2/99	Chief, ARD/Chief, RVD/Chief, PRO
4. Authorize Operational Model phase and assign QSC Model Leaders	8/98	Associate Director
5. Engage industry, States, and Tribes as full partners in the transformation process	10/98 - 9/01	Chief, PRO/Model Leaders
6. First Operational Model team in place for OCS (additional model teams to be scheduled)	11/98	Model Leader/Chief, PRO
7. Complete staged technology builds to support model teams	10/98 - 9/99	Chief, PRO/Chief, SMD/Vendors
8. Operate and expand models, evaluate performance, integrate experience with process design and spiral development, and transition and implementation planning and execution.	1/99 - 9/00	Model Leaders/Chief, PRO/Chief, SMD/ Vendors
9. Develop and implement property-based audit strategy to expedite coverage of historical periods and transactions	10/98 - 9/00	Chiefs, Audit Divisions and CCO
10. Integrate property-based audit strategy with Operational Models to refine the new business process for program-wide implementation	6/99 - 9/00	Model Leaders/ Chiefs, Audit Divisions and CCO/Chief, PRO
11. Modify cooperative and delegated agreements with State and Tribal governments to ensure their integration or utilization of RMP's new end-to-end business processes to the greatest extent possible.	10/00 - Beyond	Chief, SICD/Chief, PRO/Manager, WASC
12. Fully implement new compliance and asset management process with three-year business cycle	10/00 - Beyond	Region Managers for Compliance and Asset Management
13. Identify, test and implement COTS financial applications to the fullest extent in modular development of end-to-end financial management process	6/99 - 9/01	Chief, ARD/Chief, SMD/Vendors
14. Fully implement new financial management process to support making money available to recipients within 24 hours of due date.	10/01 - Beyond	Chief, ARD

Exhibit 3. Implementation Action Elements

Focus Area and Action Elements	Time Line	Accountable
2.2 Acquiring Technology Solutions		
1. Develop acquisition strategy, including sequencing of deliverables, and identify funding approach	7/98	IPT/Chief, PRO
2. Obtain Department Information Resource Management Review Council approval to proceed	7/98	IPT/Chief, PRO
3. Prepare OMB 300(b) and related documentation, including independent verification and validation review, for budget submission and approval	9/98	IPT/Chief, PRO
4. Prepare and issue a solicitation for capability statements based on financial module functional requirements and select vendor pool	11/98 - 1/99	IPT/Chief, PRO
5. Request proposals and award contract(s) for COTS financial system, relational data base management system, compliance module, spiral development strategy, and component integration	2/99 - 9/99	IPT/Chief, SMD/Chief, PRO
6. Prepare and implement contract management plan including technical and administrative transition and conversion planning to completion.	6/99 - 9/01	IPT/Chief, PRO/Chief, SMD/Vendors
2.3 Changing Regulations and Information Reporting Requirements		
1. Define royalty and production data elements and report formats.	1/99	Chief, ARD/Chief, RVD/ Model Leaders/ Chief, PRO
2. Identify needed regulation changes (primarily reporting related) and place on regulatory agenda	1/99	Chief, ARD/Chief, RVD/Chief, PRO/ Chief, RP
3. Prepare proposed forms changes (and related regulation changes), conduct customer and constituency outreach, and submit changes for OMB approval.	10/98 - 6/99	Chief, ARD/Chief, RVD/Chief, PRO/ Chief, RP
4. Provide OMB-approved royalty and production reporting formats to industry for systems modification	6/00	Chief, ARD/Chief, RVD
5. Initiate and complete work with PIDX for changes to EDI royalty and production data reporting formats	6/00 - 6/01	Chief, ARD/Chief, SMD
6. Prepare and issue new payor/operator reporting handbooks to industry	1/00 - 12/00	Chief, ARD/Chief, RVD
7. Complete payor and operator reporting training for new forms and requirements	1/01 - 6/01	Chief, ARD/Chief, RVD
8. Complete RMP in-house training on new royalty and production reporting forms	1/01 - 8/01	Chief, ARD/Chief, RVD
9. Institute new reporting requirements (phased approach may be used depending on results of planning and industry outreach)	10/01	Chief, ARD/Chief, RVD

Exhibit 3. Implementation Action Elements (Cont'd)

Focus Area and Action Elements	Time Line	Accountable
2.4 Modifying Organization Structures, Transition and Training		
Transition Management/Organizational Culture		
1. Expand Transition Planning Team (TPT) to conduct a broad range of transition planning and execution monitoring for the duration of the implementation. Designate a QSC Sponsor.	11/98	Associate Director/ QSC
2. Develop high level transition strategy document	4/99	TPT Sponsor/Vendor
3. Assess change readiness	10/98 - 6/99	TPT Sponsor/Vendor
4. Prepare RMP knowledge management strategy and phased implementation schedule	9/98 - 6/99	Chief, PRO/Chief, SMD
Organizational Design		
5. Develop new organization design aligned with new business processes	7/99 - 6/00	Associate Director/ QSC
6. Develop organizational roll out strategy, including transition schedule	7/00 - 9/00	Associate Director/ QSC
7. Implement new organization structure	10/00 - 9/01	Associate Director/ QSC
Staffing		
8. Determine roles and responsibilities for both staff and management levels (level of accountability and decision-making)	6/99 - 6/00	Associate Director/ QSC
9. Determine team composition, skills, abilities, etc.	6/99 - 6/00	Model Leaders/QSC
10. Develop position descriptions for implementation	6/99 - 6/00	Manager, WASC/ Chief, PRO
11. Develop succession planning guidelines	1/00 - 6/00	Associate Director/ QSC/Manager, WASC
12. Determine selection process and fill positions in new organization	7/00 - 9/01	Associate Director/ QSC
Performance and Rewards		
13. Develop comprehensive incentives/performance measures and evaluation structure linked to overall organization GPRA performance measures	10/98 - 6/00	Associate Director/ QSC
Training and Development		
14. Prepare comprehensive training strategies to address short-term operational model support; longer term RMP transition support; and sustained ongoing RMP operations after transition.	8/98 - 10/99	Chief, PRO/TPT Sponsor/Training Advisory Committee/ Vendors
15. Define training infrastructure to execute training strategies	8/98 - 10/99	Chief, PRO/TPT Sponsor/Training Advisory Committee
16. Commit resources and implement training strategies	10/98 - 9/01	Associate Director/ QSC
Facilities and Equipment Transition		
17. Develop and implement facilities and equipment plans for operational models and future organization	10/98 - 9/01	Chief, PSO/Chief, PRO/Manager, WASC

Exhibit 3. Implementation Action Elements (Cont'd)

Focus Area and Action Elements	Time Line	Accountable
2.5 Outreach and Communication		
1. Expand Outreach and Communications Team (OCT) and designate QSC Sponsor	12/98	Associate Director/ QSC
2. Conduct ongoing outreach and communications with customers, clientele, and employees for overall Reengineering Initiative	6/98 - 9/01	OCT Sponsor
3. Conduct needs assessment and develop outreach and communications strategy for transition and implementation	6/99 - 12/99	OCT Sponsor
4. Execute outreach and communications strategy for transition and implementation	1/00 - 9/01	OCT Sponsor
5. Develop outreach and communications strategy for post-implementation	3/01 - 8/01	OCT Sponsor
6. Execute outreach and communications strategy for post-implementation	9/01 - Beyond	OCT Sponsor

Exhibit 3. Implementation Action Elements (Cont'd)

A Reengineering Documents and Related Studies

An Engineering Review of the MMS/RMP Business Process Reengineering Initiative and Support Systems for the 21st Century; Productive Data Federal Solutions, Inc., September 1998

Financial Management Recommendations; September 1998

Preliminary Design Concepts of the RMP Reengineering Team; March 1998

Piloting RMP's Future Compliance and Asset Management Processes; September 1998

RMP Prototype Assessment; Performance Engineering Corporation, September 1998

Charter for the Reengineering of the Royalty Management Program

RMP Technical Assessment; Performance Engineering Corporation, January 1998

RMP Alternatives Analysis; Performance Engineering Corporation, March 1998

Results of the Compliance Action Plan Pilot; March 1995

Final Report, Royalty Policy Subcommittee on Royalty Reporting and Production Accounting; May 1996

Inspector General Audit Report, The Royalty Management Program's Automated Information Systems; July 1997

RMP Reengineering Design Team "As-Is" Process Maps and Analysis

RMP Reengineering Design Team Outreach Session Summaries (Industry, State and Indian Organizations, Employee Groups, etc.)

RMP Reengineering Design Team Benchmarking Summaries

MMS/PMI State Benchmarking Study; February 1997

The National Performance Review MMS RMP Reinvention Laboratory Report; September 1993

The National Performance Review MMS Phase II; January 1995

RMP Customer Satisfaction Study Team II; September 1996

RMP Compliance Integration Study; December 1995

MMS Oil RIK Value and Volume Reporting Recommendations; September 1997

MMS/PMI Royalty In Kind Feasibility Study; August 1997

B Glossary

ARD	Accounting and Reports Division
BLM	Bureau of Land Management
BPR	Business Process Reengineering
CCO	Compliance Coordination Office
COTS	commercial off-the-shelf
GPRA	Government Performance and Results Act
IPT	Integrated Project Team
IT	information technology
MMS	Minerals Management Service
OCT	Outreach and Communications Team
OMB	Office of Management and Budget
PDS	Productive Data Federal Solutions, Inc.
PEC	Performance Engineering Corporation
PRO	Program Reengineering Office
PSO	Program Services Office
QSC	Quality Steering Committee
RMP	Royalty Management Program
RP	Rules and Procedures
RPC	Royalty Policy Committee
RSFA	Royalty Simplification and Fairness Act
RVD	Royalty Valuation Division
SICD	State and Indian Compliance Division
SMD	Systems Management Division
TPT	Transition Planning Team
WASC	Western Administrative Service Center